

GOVERNMENT THAT WORKS!
NEW JERSEY DEPARTMENT OF THE TREASURY
LOCAL GOVERNMENT BUDGET REVIEW
BOROUGH OF BRADLEY BEACH

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**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND
LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE
BOROUGH OF BRADLEY BEACH COST OF GOVERNMENT**

A.	Investment Income	\$ 24,000
B.	Electric Inspections	\$ 3,000
C.	Building Subcode, Permits	\$ 11,500
D.	Collection of Property Taxes Reserve for Uncollected Property Taxes	\$157,500
E.	Disposal of Municipal Assets	
	1) Unused Vehicles	\$ 1,000
	2) Evergreen Avenue Properties	\$ 80,000
F.	Municipal Fire Operations	
	1) Disposal of Fire Vehicle	\$ 50,000
	2) Insurance Coverage	\$ 1,365
	Total Operating Budget Savings	\$328,365
G.	Off Budget Sewer Revenue Collections	\$ 35,335
	Total Potential for Savings	\$363,700

Total Amount to be Raised for Municipal Tax	\$2,546,734
Savings as a % of Municipal Tax	12.89%
Total Budget (FY94)	\$4,643,170
Savings as a % of Budget	7.07%
Total State Aid (FY94)	\$ 957,232
Savings as a % of State Aid	34.30%

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
BOROUGH OF BRADLEY BEACH**

A. Investment Income

The appropriate management and investment of available funds could annually increase investment income by \$24,000.

B. Electrical Inspections

The Borough can share electrical subcode inspections with the Borough of Belmar and realize a cash savings of \$3,000.

C. UCC and Building Permit Revenues

Review of current construction permit charges can produce an additional revenue of \$11,500.

D. Collection of Property Taxes

A two percent increase in the percentage of property taxes collected will enable the Borough to reduce the Reserve for Uncollected Taxes by \$157,500.

E. Disposal of Municipal Assets

The disposal of unused vehicles, underutilized property and changes in insurance coverage could generate an additional \$132,365 in revenue.

F. Municipal Fire Operations

The disposal of under-utilized fire fighting equipment and change in insurance coverage can produce a one time revenue of \$50,000.

G. Sewer Revenue Collections

A 5% increase in sewer bill collections can generate additional revenue of \$35,335.



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the Borough of Bradley Beach Budget Review Team

New Jerseyans deserve the best government that their tax dollars can buy. Governor Christie Whitman is committed to making State government leaner, smarter, and more responsive, by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board.

Government on all levels must stop thinking that more money is the solution to their problems, and start examining how they spend the money they have now. The State's taxpayers cannot afford to keep sending money to their government. It is time for government to do something different.

There is no doubt that local government costs -- and the property taxes that pay for them-- have been rising steadily over the last decade. Until now, the State has never worked with towns to examine what is behind those rising costs. That is why the Local Government Budget Review Program was created by Governor Whitman and State Treasurer Brian W. Clymer. Its mission is simple: to help local governments find savings, without compromising the delivery of services to the public.

The Local Government Budget Review Program fulfills a promise Governor Whitman made in her first budget address, when she offered the State's help to local governments looking to cut costs. This innovative approach combines the expertise of professionals from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a management review and consulting service provided to them at no cost by the state.

To find those "cost drivers" in local government, the teams will review all aspects of the local government operation, looking for ways to improve efficiency and reduce costs. The teams will also document those State regulations or legislative mandates which place an unnecessary burden on local governments, and suggest which ones should be modified or eliminated. Finally, the teams will note where local governments are utilizing "Best Practices" -- innovative ideas that deserve recognition and that other municipalities may want to emulate.

This intensive review and dialogue between local officials and the review team is designed to produce significant insight into what factors are driving the costs of local governments, and provide the necessary tools to bring meaningful property tax relief to the State.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review Program, a majority of the elected officials must request the help through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review of the Borough of Bradley Beach, team members interviewed each elected official, as well as municipal employees, appointees and contractors. The review team examined current collective bargaining agreements, municipal audit reports, public offering statements, annual financial statements, the school code and independent reports and recommendations previously developed for the community. The review team physically visited and observed the work procedures and operations throughout the municipal government to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

OVERVIEW

Bradley Beach Borough is primarily a residential community located in eastern Monmouth County, adjacent to Neptune Township, City of Asbury Park and Avon-by-the-Sea Borough. It is an oceanfront community consisting of 1,773 dwelling units. This community has seen little new development; from 1989 to 1991 only 15 new single family homes were constructed. The borough's land mass is .95 square miles. The borough is 99% developed with little opportunity for change in its tax base. Bradley Beach maintains an active beach front with all commercial activities located in a two block stretch along Route 71 (Main Street). The commercial area, which is several blocks from the beach, includes restaurants and small service businesses. Most of the small businesses are in operation at this time.

Like most shore towns in New Jersey, activity in this community is predominantly seasonal; summer is the most active time of the year. The population of full time residents is 4,475, increasing to approximately 6,500 residents during the summer. A substantial portion of the home owners occupy their homes during the summer months and rent their properties from mid-October to mid-May.

The municipal services provided include a police department with 17 active officers, a volunteer fire department and first aid squad, a public sewer system and a private water system connected to the New Jersey American Water Company. Bradley Beach has a mayor/council form of government. The chief administrator is also the Registered Municipal Clerk. The community utilizes a part-time Certified Municipal Finance Officer and fills other positions on a part-time basis. The community maintains a free public library with 14,674 volumes as of 1991.

In December 1992, the northeastern storm which struck New Jersey completely destroyed the entire boardwalk and beachfront of Bradley Beach. The boardwalk has been replaced by a bermed bulkheaded paved stone walkway, which was completed by the summer of 1994. The community is awaiting the finalization of grants from the Federal Emergency Management Administration (FEMA) for reimbursement of the cost of these repairs.

The Borough has taken significant steps to reduce the cost of government since 1992. These reductions and adjustments have included personnel reductions in police, public works and administrative and financial staff, competitive contracting of custodial services, as well as changes in personnel benefits and expenditures.

BEST PRACTICES

1. Community Identification Program

The borough has developed a community awareness and participation program which allows members of the community to be commemorated and/or memorialized on public facilities. For example, plaques for its park benches can be purchased for \$50. To date, approximately 200 benches have been dedicated. Similar initiatives have included plaques at bocce ball courts, fountains and at other public parks and properties.

2. Medical Insurance Coverage

Effective January 1, 1994, the borough revised its personnel policies to provide only single coverage of health and medical benefits for all new, non-PBA employees. The Borough has allowed all new non-PBA employees to selectively purchase at their own expense family coverage under the existing medical insurance policy if they so desire. New employees are required to pay for dental and prescription coverage in accordance with the contract with the United Food and Commercial Workers Union. This is a significant step and few concessions were made in the negotiations which established this policy. This policy should now be extended to all employees through aggressive negotiations with the PBA. The borough is to be commended for this step which is consistent with changes in private sector employment practices.

FINDINGS AND RECOMMENDATIONS

A. INVESTMENT PROCEDURES AND POLICIES

The team performed a review of the borough's cash management practices for 1993 and of the Borough's investment income. This comparison looked at the municipal investments for 1993 and compared them to the New Jersey Cash Management Fund. Our analysis indicated that substantial opportunities to generate additional investment income existed. The diligent and appropriate investment of available funds could have generated additional revenue of \$24,000.

RECOMMENDATION

It is recommended that the Municipal Clerk and the business office constantly review the cash reserves and the current rate of interest being generated by them. The Clerk should establish a network of potential alternatives for investment purposes, including the New Jersey Cash Management Fund.

B. ELECTRICAL INSPECTIONS

The electrical subcode inspection contract costs Bradley Beach \$6,000 annually. The neighboring borough of Belmar pays its electrical inspector \$3,000. The Borough of Bradley Beach contacted Belmar and found that the Belmar electrical inspector would be willing to provide electrical subcode inspection at a rate similar to Belmar.

RECOMMENDATION

The team recommends that the Borough of Bradley Beach share electrical subcode inspection services with the Borough of Belmar as soon as the current electrical inspection contract expires. This will result in future savings for Bradley Beach, which we estimate will reduce their cost by 50%, for a savings of \$3,000.

C. UNIFORM CONSTRUCTION CODE & BUILDING PERMIT REVENUES

The team examined the schedule of fees for the Uniform Construction Code (UCC) and building permits detailed in the Revised General Ordinances of the Borough of Bradley Beach. The team compared those fees to surrounding communities, including Belmar and the borough of Red Bank, and the current approved fees of the State of New Jersey.

The team analyzed the expenses and revenues related to the operation of the Construction Code Office, the enforcement of the Uniform Construction Code and the issuance of building permits. The team found that in the previous year, permit operations expenses for the Borough were \$72,223. Review of the revenues showed that the Borough generated \$60,738 in permit fee income. This results in a net cost to the Borough of \$11,495.

RECOMMENDATION

Bradley Beach should immediately review the permit fee schedule to reflect the current permit rates in surrounding communities and to ensure that this is a self supporting operation. This change should result in an immediate revenue enhancement of \$11,500.

D. TAX COLLECTIONS

Through a review of audited financial statements, the team has documented that the borough, like many other municipalities in this State, has not been aggressive in its collection of current and delinquent municipal taxes. The team reviewed tax collections from 1991 to 1993 and verified that the borough's collection rate averaged 93.28%. However, collection of delinquent taxes decreased from 91.26% in 1991 to 73.47% in 1993. The Team worked closely with the Tax Collector during the month of December 1994 and noted a diligent effort on the part of the staff to improve the tax collection rate. In many cases outstanding balances of two years were paid due to the heightened efforts of the Tax Collector and staff.

RECOMMENDATION

The extra attention and effort expended during December 1994 appears to have improved tax collection. The Mayor and Council should support the Collector's efforts to improve the current tax collection average rate of 93.28%. We believe that an increase of 2.5 percentage points can be achieved, resulting in a 96% collection rate. This would offer a potential to reduce the annual appropriation for the Reserve for Uncollected Taxes by \$157,500.

E. DISPOSAL OF MUNICIPAL ASSETS

Although the borough currently maintains two facilities for fire equipment, only one is in active use. The primary facility is located at the municipal building, while the second fire house is located on Evergreen Avenue. The Evergreen Avenue site represents two developable parcels of land, measuring 100' by 138'. These properties are located in a strictly residential area and are currently used for storage of municipal assets and equipment. No municipal employees are stationed in or work from this property. The team reviewed this facility and found the building structures to be in disrepair and in need of substantial renovation. Their present condition and use is not consistent with the otherwise good condition of the surrounding residential properties.

In addition to the fire equipment noted above, many items that the Borough has accumulated and/or used in its municipal and beachfront operations are stored in this location. Five unused and uninsured vehicles are stored there.

RECOMMENDATIONS

The team recommends that the borough take immediate steps to auction and sell off all unused vehicles. Due to the advanced state of disrepair, the team feels that these vehicles would produce a minimal one-time revenue of \$1,000.

The team also recommends that the Borough immediately consider the sale of the Evergreen Avenue site. The current assessed value of the property is \$101,300. However, with the need to remove the existing structures, the team believes the Borough should receive a selling price of approximately \$80,000.

F. MUNICIPAL FIRE OPERATIONS

The volunteer fire department has a roster of 120 firefighters, which include approximately 45 to 50 active members. In addition to two firehouses, the fire department maintains eight pieces of rolling equipment; five of which are fire apparatus. The Fire Department responds to approximately one call per week. A review of fire operations in adjacent Asbury Park revealed that fire protection for that community of 17,000, which has approximately 10 high rises, is provided with three pieces of fire apparatus. It is highly unlikely that the Department would ever be required to respond and utilize all five fire fighting vehicles. In such a situation, it is probable that a mutual aid request would be made and that the responding mutual aid department would provide sufficient assistance. The team was informed that the aerial truck is currently inoperable and has been in need of expensive repairs for a considerable period of time.

RECOMMENDATIONS

The team feels that the Borough should dispose of at least one piece of fire apparatus. This equipment could be sold at a public auction and provide a one-time revenue of at least \$50,000.

A review of the borough's insurance policies determined that the fire house, related structures and fire apparatus are currently insured under the Borough's insurance policies. Sale of the properties and equipment would produce annual savings of \$1,365 by eliminating the applicable insurance policies.

G. SEWER REVENUE COLLECTIONS

In 1992, the borough's sewer revenue collection was 89.4%. A review of the 1993 audit indicated that the percentage of collection decreased to 87.7%.

RECOMMENDATION

The team recommends that the Municipal Clerk receive and review a delinquent listing of all sewer billings monthly. A diligent effort, including written and telephone communication, should be initiated to collect the past due balances. This situation should be discussed with the Mayor and Council to obtain support for a

significant increase in collection efforts. This recommendation could generate an immediate revenue increase of \$35,335.

GENERAL RECOMMENDATIONS

These recommendations are made by the review team to the borough for the purpose of improving the overall management practices and economic effective-ness of the city as a whole.

1. Municipal Facilities

During the course of the review of municipal operations in the borough, the team recommended the sale of the Evergreen Avenue property. This proposal raises an issue over the relocation of several pieces of fire apparatus and other municipal equipment (e.g., lifeboats, Christmas decorations, etc.)

The team also noted a lack of operating space in the police department and business offices of the Borough. The team suggests that a review of the use of the municipal facility be conducted on how to consolidate municipal services and maximize existing space.

The team found the meeting hall area located on the second floor of the municipal complex to be largely unused and underutilized. Given the lack of space for day-to-day operations the team recommends the meeting hall be converted into office space for either the police department or municipal operations. All available space in the complex should be utilized to the greatest extent possible. Use of this space would allow for the expansion and consolidation of all municipal business services. This would provide additional space, at minimal cost, for municipal operations and provide for consolidation of the fire department.

The municipal complex currently houses three pieces of fire apparatus. The relocation of the business office would allow the area they currently occupy to become additional bays for fire apparatus. The consolidation of the fire department into one structure will enhance its maintenance and operations. The team feels that the fire department could utilize other public spaces for their meetings and fund raising activities.

2. Shared Services

The Borough and the school district share little in the way of common services. Due to the small size of their operations, they have significant need and opportunity to work together to serve the residents and students of Bradley Beach.

There exists potential for cost savings in the area of business and financial operations including: joint purchasing of supplies, computer usage, jointure on maintenance contracts and snow removal.

The Borough Council and Board of Education should appoint a shared services committee to review operations and develop a strategy to identify the opportunities for shared services and a time schedule for implementation.

In addition to the development of better coordination with the school district, the borough should explore the development of greater shared services with the adjacent communities of Neptune City and Avon-by-the-Sea. The shared electrical inspections with Belmar is one example of an opportunity which should be explored.

During the course of its review of the municipal operations, the team noted many similarities between the borough and the surrounding communities of Avon-by-the-Sea and Neptune City. These three municipalities have a combined population of 11,600 and an area of 2.0 square miles.

All three municipalities maintain their own separate police, volunteer fire, municipal court, public works and general administrative services. These communities not only lie adjacent to each other, but are very similar in their demographic and economic makeup. We believe that the three communities provide a duplication of services at a significant cost to each and every taxpayer.

The team recommends that the Mayor and Council of all three boroughs initiate discussions through a municipal services review committee, with the intent of identifying potential joint services. They should seek to improve the current level of services and provide an immediate cost savings to the taxpayers. Issues that could be reviewed include: dispatching, snow removal and street sweeping, emergency services and the establishment of joint purchasing and administrative operations. These issues include areas that can be immediately addressed and offer long term savings with no loss of service.

The taxpayers in each community would be better served if the three municipalities would share these and other services, thereby providing the best service at the lowest cost.

LOCAL GOVERNMENT BUDGET REVIEW

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